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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION

RED CAT HOLDINGS, INC. and TEAL DRONES, INC., Plaintiffs, vs. GEORGE MATUS and VECTOR DEFENSE INC., Defendants.	**PLAINTIFFS' MOTION FOR PRELIMINARY INJUNCTION AND COMBINED MEMORANDUM IN SUPPORT** Case No. 2:25-cv-646 Judge: Magistrate Judge:

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I. IMMEDIATE RELIEF REQUESTED

Pursuant to Federal Rule of Civil Procedure 65, Plaintiffs Red Cat Holdings, Inc. ("Red Cat") and Teal Drones, Inc. ("Teal") (together, "Red Cat/Teal" or "Plaintiffs") move for a preliminary injunction against Defendants George Matus ("Matus") and Vector Defense, Inc. ("Vector") (together, "Defendants"). In light of the gravity of the situation as detailed herein and in Plaintiffs' contemporaneously-filed Verified Complaint, the harm caused by Defendants to date, and the further impending irreparable harm, Plaintiffs respectfully request an immediate hearing on an expedited basis on their contemporaneously-filed Motion for Expedited Discovery and to set a schedule and prompt hearing date on this Motion.[1]

For the reasons set forth herein and to be presented at the evidentiary hearing, justice and equity require that the Court enter an Order: **(I)** granting Plaintiffs' Motion for Preliminary Injunction; **(II)** for one year from the Court granting this Motion, enjoining Matus from working for, and collaborating with, Vector on the design, development, production, marketing, and sales of any drone technology; **(III)** enjoining Vector and Matus from using, disclosing, and/or relying on Plaintiffs' trade secrets and confidential information; **(IV)** for one year from the Court granting this Motion, enjoining Vector from *(i)* manufacturing, marketing, distributing, contracting

[1] The significant issues raised in this Motion require a hearing immediately follow the close of expedited discovery. Damage to Plaintiffs is severe and ongoing. Plaintiffs maintain Defendants threaten immediate irreparable harm. However, Defendants' actions deprived Plaintiffs of seeking immediate relief at the time necessary to prevent the significant harm Defendants have *already* caused (and started to cause in 2024). In light of the reality of the situation and the numerous considerations at issue, Plaintiffs have carefully crafted their requests for preliminary injunction, *infra*, to be reasonable and tailored to fairly maintain the *status quo* before trial. Understanding the immediate injunctive relief Plaintiffs seek *(1)* is particularly unique to the facts at issue and the point in time the parties find themselves (due entirely to Defendants inhibiting Plaintiffs from requesting injunctive relief months before the impact of Defendants' misconduct extended past the parties named in this case, as it now does) and *(2)* cannot generally be granted on the limited basis a TRO provides, Plaintiffs move in good faith for a preliminary injunction order following expedited discovery and an immediate hearing on this Motion, instead of first for a TRO.

(including applying for military offerings), and/or selling any Vector designed, developed, and/or marketed drones;[2] and *(ii)* working to identify and/or build business relationships with any external entity or individual in support of its drone design, development, marketing, and/or manufacturing efforts; **(V)** for one year from the Court granting this Motion, enjoining Matus and Vector from soliciting any of Red Cat's employees; **(VI)** awarding Plaintiffs their attorneys' fees and costs in bringing this Motion; and **(VII)** awarding any other relief the Court deems just and equitable.

II. EXECUTIVE SUMMARY AND GROUNDS FOR RELIEF

Plaintiffs' Motion for Preliminary Injunction centers on two fundamental questions: **(1)** Should Matus be allowed to continue to brazenly violate his enforceable protective covenants by competing directly with his former employer (and, literally, former company) Red Cat/Teal?; and **(2)** Should Matus and his new venture, Vector, where he is both a co-founder and its Chief Technology Officer ("CTO"), be allowed to unlawfully compete against Red Cat/Teal in the design, development, production, and sales of military-grade drones? Because both questions must be answered with a resounding "no", Red Cat/Teal respectfully request that the Court grant injunctive relief and prevent Defendants from causing Red Cat/Teal further irreparable harm.

While still serving as Red Cat's CTO as well as the Chief Executive Officer ("CEO") of Teal (Red Cat's largest subsidiary), Matus clandestinely partnered with and co-founded a competing drone business. When Matus finally decided to publicly leave Red Cat/Teal to "join" Vector many months later, he made numerous representations that Vector was a modern warfare-as-a-service provider (referring to Vector as "Blackwater 2.0") and importantly that Vector was

[2] This include Vector's "Hammer" drone. Vector may still (internally) design, develop, and manufacture any drone. As it relates to external conduct, Vector may only identify and source components from currently-engaged manufacturers. Vector shall be able to retain its relationship(s) with any component manufacturers it currently engages. Upon entrance of the Order, Vector must provide Plaintiffs an affidavit identifying its current component manufacturers.

not and would *not* design, develop, or manufacture drones. Unfortunately, this all proved to be a lie. Before publicly announcing Vector was competing in the lucrative and highly-specialized military drone market, Defendants first illegally mined Plaintiffs' trade secrets, relationships, goodwill, innovation, and investments. On July 11, 2025—*while Matus was still subject to his enforceable one-year non-compete obligations*—during an appearance on the Fox News Channel, a Vector advisor revealed "Hammer," a Vector designed, developed, and produced military drone. Only at that point did Plaintiffs come to realize Vector—the new market entrant in this highly-competitive industry—had been stealthily competing for months, with Matus clearly at the helm of this illegal scheme. Matus and Vector have already unfairly benefited at Red Cat/Teal's considerable expense and will continue to do so unless immediately enjoined.

In breach of his promise not to compete with Plaintiffs, Matus assumed the roles of Vector's co-founder and CTO. For approximately eight months, while furtively working for Red Cat/Teal *and* Vector, Matus engaged in a pattern and practice of sabotaging Red Cat/Teal's product offerings and business plans. While still a Red Cat employee, Matus appropriated Red Cat/Teal's resources for Vector's benefit. Indeed, Red Cat has reason to believe that Matus's conduct cost Red Cat/Teal one of the most advantageous deals they have seen to date, when Matus violated his fiduciary obligations to Red Cat/Teal by tanking an opportunity to partner with a leading European drone company that has been supplying advanced drones to the Ukrainian military. And, in a blatant effort to cover up his misconduct and destroy evidence, and in violation of his contractual obligations, immediately before he left Red Cat/Teal, Matus wiped clean and permanently deleted all data, work product, and trade secrets from his work laptop. Then, several months after leaving Red Cat/Teal—but before publicly announcing that Vector is a direct competitor—Matus and Vector began soliciting Red Cat employees, interfering with Red Cat/Teal's contractual and

economic relationships with these individuals.

In addition to the forgoing harms, Matus and Vector continue to threaten and will inevitably misappropriate Red Cat/Teal's trade secrets, particularly as they ostensibly designed, developed, manufactured, and are now marketing a competitive drone in record time, using all of the information Matus obtained while employed at Red Cat/Teal. Matus has intimate familiarity with Red Cat/Teal's most sensitive trade secrets, including business information and plans; strategic initiatives, business opportunities, and partners; and drone design and development. As Teal's founder, and the face of Red Cat's drone business, he was at the forefront of creating and developing these trade secrets and cannot easily sever himself from his knowledge, understanding, and application of them. This is especially true while he works for a drone designer, developer, and manufacturer and serves in the *same* CTO role he held at Red Cat.

Matus and Vector have already caused and continue to pose significant and immediate irreparable harm to Red Cat/Teal. Plaintiffs seek narrowly-tailored injunctive relief from the Court to enforce reasonable and necessary protective covenants, prohibit threatened and inevitable trade secret disclosure, and prevent further interference with Red Cat/Teal's economic relationships. Under clearly established federal and Utah law, immediate injunctive relief is warranted to enjoin Defendants' unlawful actions and to preserve the *status quo* as best as possible until trial.

III. RELEVANT FACTUAL BACKGROUND

A. Red Cat's Acquisition of Teal

Red Cat is a drone technology company integrating robotic hardware and software for military, government, and commercial operations. (Verified Complaint ("Ver. Compl.") ¶ 24).

In 2021, Red Cat began exploring an acquisition of Teal. (*Id.* ¶ 26-27). Teal, founded in 2014 by then-high school student Matus, began with a focus on designing, manufacturing, and

selling consumer drones. (*Id.* ¶ 25). In August 2021, Red Cat and Teal finalized an acquisition agreement, through which Red Cat acquired Teal, including, *inter alia*, its goodwill and intellectual property, from Matus in exchange for approximately $10 million. (*Id.* ¶ 27-28). Subsequently, Red Cat employed Matus as Teal's CEO. (*Id.* ¶ 28). Red Cat and Matus formalized Matus's employment through a September 1, 2021 employment agreement, pursuant to which Matus agreed to keep confidential certain Red Cat/Teal information not publicly known. (*Id.* ¶ 29).

B. Red Cat/Teal's Customers

A significant portion of Red Cat/Teal's efforts are devoted to competing for U.S. Department of Defense ("DoD") contracts. (*See id.* ¶ 69-83). Beginning in 2018, Teal (at the time owned by Matus) applied as a contender for the U.S. Army's Short Range Reconnaissance ("SRR") Program, through which the Army sought an inexpensive drone with vertical take-off and landing features that could provide SRR capabilities. (*Id.* ¶ 69-70). The U.S. DoD's Defense Innovation Unit ("DIU") and the Army have carried out the SRR Program in phases, beginning with "SRR Tranche 1," followed by "SRR Tranche 2," and the soon-to-be-announced "Next Generation SRR." (*Id.* ¶ 69, 75-76, 82).

Despite the DIU and the Army awarding Teal an SRR Tranche 1 prototype contract in April 2019, a different drone company was ultimately selected for the initial production award. (*Id.* ¶ 70, 72). In 2021, while SRR Tranche 1 remained open, applications opened for SRR Tranche 2. (*Id.* ¶ 75). Teal submitted a drone called Black Widow™ to compete, which the DIU and the Army selected for the prototype phase. (*Id.* ¶ 77-79, 89). As a result, Plaintiffs poured countless employee hours and millions of dollars into research and development to perfect Black Widow's™ functionality and capabilities. (*Id.* ¶ 24, 79-81).

Currently, Plaintiffs are preparing for Next Generation SRR, which is expected to open

within the next six months. (*Id.* ¶ 82). Plaintiffs also expect an uptick in requests for proposals to deliver U.S.-manufactured military lethal First-Person View ("FPV") drones. (*Id.* ¶ 83).

In addition to the SRR Program, Plaintiffs compete for other contracts funded by the DoD, U.S. government agencies, private U.S. entities, and U.S. allies. (*Id.* ¶ 103). DoD contracts are particularly coveted and competitive because the military will only purchase drones on the Blue Unmanned Aircraft Systems Clearance List ("Blue UAS List"), meaning the drones have been certified as compliant with current law and policy, validated as cyber-secure, and manufactured without the use of components from prohibited countries. (*Id.* ¶ 74, 170). Few companies have been able to design, develop, and manufacture a competitive drone to make it onto the Blue UAS List. (*Id.* ¶ 170). As discussed below, Red Cat/Teal is one of the few companies.

C. Red Cat/Teal's Drones

After the acquisition, Teal focuses on creating drones equipped for military and government purposes. (*Id.* ¶ 24, 84). Teal's current market-ready drones specialize in intelligence, surveillance, and reconnaissance. (*Id.* ¶ 84). From concept to manufacture, it generally takes several months (if not over a year) just to develop a drone prototype. (*Id.* ¶ 85).

Plaintiffs' flagship drone, "Teal 2," is one of only 27 drones on the Blue UAS List. (*Id.* ¶ 86, 88). Black Widow™, which is currently undergoing Blue UAS clearance, is a U.S.-manufactured, low-cost, SRR drone purpose-built for frontline warfighters. (*Id.* ¶ 90-91).

Based on Red Cat/Teal's experience developing their SRR drones and their previous work to develop an FPV drone (marketed as FANG™), which was suspended in the fall of 2024 in part due to Matus's misconduct, Plaintiffs are working on developing an updated version of FANG™ as an optionally-lethal FPV drone. (*See id.* ¶ 93-95). Red Cat/Teal expect FANG™ to be ready for market entrance in the coming months. (*See id.* ¶ 100-01).

D. Matus's Role at Red Cat/Teal

After Red Cat acquired Teal, Matus continued in his role as Teal's CEO, responsible for spearheading Teal's critical initiatives, drone design, and problem-solving efforts, now with the backing of Red Cat's resources, connections, and footing in the market. (*Id.* ¶ 28, 30). Red Cat positioned Matus as the face of Teal drones. (*Id.* ¶ 33). Red Cat deployed Matus to form and build strategic relationships on behalf of Red Cat/Teal within the industry. (*Id.*). Using Red Cat's resources, Matus identified, met with, and fostered connections with individuals, entities, and organizations to help Plaintiffs grow and expand their business, offer competitive products, solutions, and services, and advance their competitive edge in the market. (*Id.*).

Matus further helped spearhead Plaintiffs' drone design by working with their engineers to understand and test drone capabilities, necessities, and weaknesses, and to identify solutions. (*Id.* ¶ 34). Matus was deep in the trenches of Plaintiffs' methods and choices to optimize drone performance and reduce design and manufacture costs. (*Id.*). In addition to Teal 2 and Black Widow™, Matus also helped Plaintiffs develop FPV drones, such as FANG™. (*Id.* ¶ 92).

In December 2023, Red Cat promoted Matus to the role of its CTO, while still remaining as Teal's CEO. (*Id.* ¶ 35-36). In recognition of his promotion, Red Cat and Matus executed an Executive Employment Agreement (the "Agreement"). (*Id.* ¶ 42). As part of the Agreement, Red Cat promised Matus, among other things, continued and at least two years of guaranteed employment, a nearly $50,000 salary raise, annual bonus eligibility, an award of 600,000 time-based Red Cat stock units, and access to Plaintiffs' trade secret, proprietary, and confidential information. (*Id.* ¶ 43). In exchange, Matus promised to devote all of his "business time and best efforts" to perform his duties and to be bound by certain reasonable and limited protective covenants. (*Id.* ¶ 45-46). Following Matus's execution of the Agreement, Red Cat increased

Matus's salary as promised and granted him 150,000 of the promised stock units. (*Id.* ¶ 44).

Pursuant to the confidentiality and non-disclosure provisions, Matus agreed not to, at all times during and after his employment, use or disclose Red Cat's or its subsidiaries' "Confidential Information." (*Id.* ¶ 50). The Agreement defines "Confidential Information" as:

> [S]ecret and confidential information regarding the Company and Company, its subsidiaries and their respective businesses . . . including but not limited to, its products, methods, formulas, software code, patents, sources of supply, customer dealings, data, know-how, trade secrets and business plans, provided such information is not in or does not hereafter become part of the public domain, or become known to others through no fault of the Executive. (*Id.*).

Matus further agreed that all Red Cat property, including documents and Confidential Information, belonged to Red Cat and needed to be returned upon his separation of employment. (*Id.* ¶ 51-52).

Matus also agreed to the following non-competition and non-solicitation obligations:

> Non-Compete Clause: The Executive agrees that during the Employment Period and for a period of twelve (12) months immediately following the Termination Date, regardless of the cause of termination, the Executive shall not directly or indirectly engage in any business activity which is similar to the business of the Company within the same city, county, state or other defined geographical area recognized by the Company in which the Executive provided services for the Company, so long as the Company continues to carry on such business in the city, county, state or other defined geographical area.
>
> . . .
>
> Non-Solicitation Clause: For a period of twelve (12) months after the Termination Date, the Executive shall not directly or indirectly solicit business from, or attempt to sell, license, or provide the same or similar products or services as are now provided to, any customer or client of the Company who was a customer or client of the Company at any time during the Executive's employment with the Company. Further, the Executive shall not solicit, entice, or induce any employee of the Company to leave their employment during the same period. (*Id.* ¶ 48-49).

To perform his duties as Red Cat's CTO and Teal's CEO, Plaintiffs provided Matus access to Red Cat's and its subsidiaries' sensitive trade secret and confidential information. (*Id.* ¶ 57, 59-60). This information covered Plaintiffs' **(1) business information and plans** (including budgets, forecasts, market strategies, bidding information, contract considerations, investment methods,

contemplated and planned product offerings, funding, division of resources, and growth methods and plans); **(2) drone design and development** (covering ideal designs, partnerships, product and component sourcing, manufacture, enhancements, and component combination to increase the competitive value of Plaintiffs' drones); and **(3) actual and contemplated strategic initiatives, business opportunities, and partners** (including Red Cat/Teal's assessments and information developed and acquired throughout the course of identifying and evaluating strategic initiatives, business opportunities, and partners, such as an entity's needs, pain points, weaknesses, strengths, and capabilities and the benefits and drawbacks to Red Cat/Teal). (*Id.* ¶ 56, 58, 60). Plaintiffs have expended significant time, effort, and financial resources to create and/or obtain this information. (*Id.* ¶ 57, 58, 60-62, 64).

Matus used this information to design, build, and sell Plaintiffs' drones, expand Plaintiffs' business, and align Red Cat/Teal with strategic business partners and initiatives. (*Id.* ¶ 33-41). Red Cat trusted Matus as one of its key business strategists, both from a product perspective and a growth perspective. (*Id.* ¶ 38). Matus was one of few individuals whom Red Cat provided with the autonomy to identify and map out advantageous objectives on behalf of Red Cat and its subsidiaries and, subsequently, take the steps necessary to achieve such objectives. (*Id.*).

Red Cat's and Red Cat's subsidiaries' sensitive business information provides Plaintiffs with a competitive edge. (*Id.* ¶ 55, 60). This information is not publicly known, easily obtainable, or readily duplicable. (*Id.* ¶ 57, 58-59, 63). If a competitor were able to get its hands on this information (as Vector has illegally done here by conspiring with Matus), that company could avoid investing hours and financial capital into research, development, trial, error, and analysis. (*Id.* ¶ 63, 180). Instead, the company can accelerate its position within the market while undercutting Red Cat/Teal's competitive edge - which is precisely Defendants' strategy in rapidly

bringing their own drone, Hammer, to market, *infra*. (*See id.* ¶ 173, 176-80). Given the significant value of this information and looming harm to Red Cat/Teal if it were exposed (or, in the case of Vector and Matus, further exploited), Plaintiffs keep it secure by requiring nearly all employees to execute employment agreements containing confidentiality provisions, requiring contractors, consultants, financial advisors, suppliers, and strategic partners to enter into confidentiality agreements (as appropriate), password-protecting their devices, systems, and software, following government-mandated secrecy protocols, and only sharing sensitive information on a need-to-know basis. (*Id.* ¶ 65-68, 195, 214).

E. Matus's Pre-Separation Misconduct

Plaintiffs have come to believe that in April 2024, while still employed by Red Cat, Matus founded and joined Vector without informing Red Cat/Teal. (*Id.* ¶ 110). Around the same time, Matus brought three of his Vector co-founders to Teal's Salt Lake City, Utah facilities. (*Id.* ¶ 111). While at Teal's facilities, Vector told Teal's General Manager that it operated as a private contractor providing warfare-as-a-service, and it did not, and had no plans to, design, develop, and/or manufacture drones - in other words, Vector posed no threat to Red Cat/Teal. (*Id.* ¶ 112). Vector also discussed partnering with Red Cat/Teal to purchase their drones as part of a "high tech" package Vector would offer the military. (*Id.*). Under the guise Vector and Red Cat/Teal could form a partnership, as opposed to being competitors, Vector asked Teal's General Manager questions concerning Red Cat/Teal's business. (*Id.*).

After covertly joining Vector, Matus quickly began to disengage from his obligations to Red Cat/Teal, and worse, Plaintiffs have reason to believe he actively sabotaged Red Cat/Teal's business for his and Vector's benefit. (*Id.* ¶ 113, 132, 135). For example, Matus failed to implement agreed-upon initiatives and opted to travel to Japan for a unnecessary conference rather than help work on a critical shipment of drones for the U.S. military. (*Id.* ¶ 115-17).

In June 2024, Red Cat/Teal began pursuing a strategic partnership with Croatian-based drone company, Orqa, Ltd. ("Orqa"). (*Id.* ¶ 121-22). Orqa specializes in FPV drones containing advanced radio technologies. (*Id.* ¶ 120). Plaintiffs saw the unparalleled opportunities an Orqa partnership presented where an Orqa drone was one-of-a-kind and featured advanced, highly desirable, and unmatched technology. (*Id.* ¶ 122, 127). As a primary provider of sophisticated FPV drones to Ukraine's Armed Forces in the ongoing war with the Russian Federation, Orqa has developed a reputation as one of the leading FPV drone companies outside of China. (*Id.* ¶ 120).

In or around July 2024, Red Cat/Teal and Orqa entered into a non-binding agreement. (*Id.* ¶ 124). Essentially, Red Cat/Teal and Orqa agreed that Orqa would send Red Cat/Teal its drone components and designs, Red Cat/Teal would assemble the drones in the U.S., and Red Cat/Teal would then sell Orqa's drones in the U.S. under its existing FPV brand, FANG™. (*Id.*). As part of this arrangement, Red Cat/Teal would help place Orqa onto the Blue UAS List based on Plaintiffs' experience and familiarity with the process and status as only one of a small number of companies that has successfully obtained Blue UAS clearance. (*Id.* ¶ 125). Being placed on the Blue UAS List was especially desirable for Croatian-based Orqa because it could then sell its FPV drones to the U.S. military and pursue multi-million-dollar contracts. (*Id.* ¶ 126).

After Red Cat/Teal and Orqa entered into a non-binding agreement, all that was left was for Red Cat/Teal and Orqa to finalize few minor details. (*Id.* ¶ 130). Given his CTO/CEO roles, Matus was Orqa's main point of contact at Red Cat/Teal, and Red Cat/Teal primarily relied on Matus to communicate with Orqa on their behalf. (*Id.* ¶ 131). However, beginning in August 2024, Matus became slow to provide updates on the Orqa partnership. (*Id.* ¶ 132). At some point thereafter, Matus announced the deal would not go forward as planned without providing any substantive explanation for Orqa's surprising disengagement. (*Id.* ¶ 133). As Plaintiffs have come

to believe, what actually happened is that Matus sabotaged the deal by providing Orqa with information regarding Blue UAS clearance that nullified Red Cat/Teal's leverage in getting the deal finalized. (*Id.* ¶ 135). Matus likely acted to benefit Vector where, since officially joining Vector, he has pursued a deal with Orqa on behalf of Vector. (*Id.* ¶ 136).

In November 2024, Matus notified Red Cat that he intended to leave the company in December 2024. (*Id.* ¶ 105). So as not to raise any alarms, Matus represented that Vector was a warfare-as-a-service business and *not* a drone company. (*Id.* ¶ 106). To further avoid suspicion, Matus told his then-colleagues that Vector would purchase drones from Red Cat/Teal. (*Id.*).

To cover his tracks and avoid Red Cat/Teal discovering his lies, before leaving Red Cat/Teal, Matus deliberately wiped his work laptop clean and permanently deleted *all* data, information, documents, and files kept on the device, which included Red Cat/Teal's patent applications and proposals, potential business partner contact information, research, contract drafts, business assessments, and other business documents. (*Id.* ¶ 139-40). His conduct also prevented any forensic analysis to uncover whether, and to what extent, Matus took data from the laptop. (*Id.* ¶ 139). No one asked, directed, or gave permission to Matus to wipe his work laptop. (*Id.* ¶ 142). Furthermore, Matus had no business purpose for wiping the laptop, which he knew constituted a violation of the Agreement. (*Id.*).

F. Vector's Business and Competition with Red Cat/Teal

A day after U.S. Defense Secretary Pete Hegseth's July 10, 2025 announcement that the U.S. would begin ramping up drone production and procurement to maintain the military's superiority on the modern battlefield, a Vector advisor publicly announced its military drone, "Hammer," on Fox News. (*Id.* ¶ 162, 164). Plaintiffs were shocked provided that Matus had always represented Vector was *only* a warfare-as-a-service company. (*Id.* ¶ 165). With this announcement, Vector became one of three Utah-based military drone developers. (*Id.* ¶ 168).

Companies attempting to break into the military drone industry face significant hurdles. (*See id.* ¶ 169). The drone marketplace is a highly specialized and fiercely competitive industry. (*Id.*). Military and government contracts are limited, requirements are stringent, and research and development to design and manufacture competitive drones is time consuming and expensive. (*Id.*). In fact, only 19 companies have drones that are Blue UAS cleared, meaning only 19 companies can sell to the DoD. (*Id.* ¶ 170). With the war in Ukraine leaving no doubt as to the importance of sophisticated, specialized drones for the modern warfighter, and as the DoD and U.S. allies require drones that meet stringent requirements, competition for military drone contracts is expected to become even more aggressive in the coming years. (*Id.* ¶ 163).

A few days after the Fox News Channel announcement, on July 29, 2025, via a press release, Vector formally announced Hammer as intended for single-use, explosive operations. (*Id.* ¶ 173). Like Red Cat/Teal, Vector produces low-cost drones in the U.S. intended for military deployment. (*Id.*). Vector advertises itself as approaching its "hyper-growth stage" and claims to be "on contract with government agencies." (*Id.* ¶ 177). To design, develop, and manufacture Hammer at record speed, Vector has relied on, and will continue to rely on, Matus's as well as other former Red Cat employees' knowledge of Plaintiffs' trade secrets. (*Id.* ¶ 178).

Between March 2025 and July 2025, Matus and Vector successfully solicited nine Red Cat employees to leave Red Cat and join Vector. (*Id.* ¶ 147). These employees largely worked on developing Red Cat/Teal's drones. (*Id.* ¶ 149). Like Matus, they also had employment agreements containing confidentiality and non-competition obligations, of which Matus was well aware. (*Id.* ¶ 148, 151). Matus was also aware of the employment terms and conditions of these employees' relationship with Red Cat. (*Id.* ¶ 151).

In early July 2025, after beginning to suspect Matus had violated his contractual obligations

(but before the Fox News announcement on Hammer), Red Cat/Teal sent Matus and Vector a letter requesting they stop their conduct violative of the Agreement and applicable law. (*Id.* ¶ 158). In response, Matus and Vector represented they have no plans to stop or alter their conduct and refused to provide assurances and information requested by Plaintiffs to assuage their concerns. (*Id.* ¶ 160-61). Vector and Matus have thus left Red Cat/Teal no choice but to pursue legal action.

IV. PLAINTIFFS ARE ENTITLED TO A PRELIMINARY INJUNCTION

To obtain a preliminary injunction, Red Cat/Teal must establish: (1) a substantial likelihood of success on the merits; (2) irreparable harm if the injunction is denied; (3) the threatened injury outweighs the harm that the injunction may cause Defendants; and (4) the injunction would not be adverse to public interest. *Wireless Advance Vehicle Electrification, LLC v. Witricity Corp*., No. 2:24-CV-00577-RJS-CMR, 2024 WL 4525146, at *4 (D. Utah Aug. 29, 2024) (unreported). Red Cat/Teal have met their burden.

A. Plaintiffs Have A Strong Likelihood Of Success On The Merits.

Plaintiffs have established that Matus breached and will continue to breach the Agreement. Plaintiffs will also likely succeed on their misappropriation of trade secrets claims under the Utah Trade Secrets Act ("UTSA") and the federal Defend Trade Secrets Act ("DTSA"). Finally, Plaintiffs' Verified Complaint makes a strong *prima facie* showing that Matus and Vector tortiously interfered with Red Cat/Teal's economic relationships.

i. Plaintiffs are Likely to Succeed on the Merits of Their Breach of Contract Claims.

It is beyond dispute that Matus breached and will continue to breach material terms of his enforceable Agreement. The essential elements of a breach of contract claim are: (1) a contract, (2) performance by the party seeking recovery, (3) breach of the contract by the other party, and (4) damages. *Surgenex, Ltd. Liab. Co. v. Predictive Therapeutics, Ltd. Liab. Co.*, 462 F. Supp. 3d 1160, 1168 (D. Utah 2020). Plaintiffs satisfy all four elements here.

a. The Agreement is a Valid and Enforceable Contract.

There is no dispute that Matus agreed to and executed the Agreement. The terms of the Agreement, including the protective covenants therein, represent a valid and enforceable contract. Utah courts will uphold a protective covenant so long as: (1) the covenant is supported by consideration, (2) no bad faith was involved in the negotiation of the contract, (3) the covenant is necessary to protect the goodwill of the business, and (4) the covenant is reasonable in its restrictions as to time and area. *England Logistics, Inc. v. Kelle's Transp. Serv., LLC*, 559 P.3d 45, 52 (Utah Ct. App. 2024) (citation omitted). Plaintiffs clear all hurdles.

Adequate consideration supports the protective covenants in the Agreement. In exchange for entering into the Agreement, Red Cat provided Matus with continued and guaranteed employment, a significant salary raise, time-based stock units, and access to and provision of its trade secret and confidential information. *See id.* at 53 (finding continued employment adequate consideration); *Aquagen Int'l, Inc. v. Calrae Tr.*, 972 P.2d 411, 413 (Utah 1998) (finding financial incentive adequate consideration); *Allen v. Rose Park Pharmacy*, 237 P.2d 823, 825 (Utah 1951) ("an exchange of promises expressing a legal detriment and benefit to both parties" constitutes adequate consideration).

No bad faith was involved in the negotiation of the Agreement, nor is there any evidence to the contrary. Furthermore, the Agreement was necessary to protect Red Cat's goodwill and legitimate business interests. Red Cat obtains significant value from its employees, particularly where the pool of qualified and skilled employees in the drone industry is relatively small. Matus was a C-suite, Red Cat/Teal executive who had access to, helped develop, and actively used Red Cat's and Red Cat's subsidiaries' trade secret information on a daily basis. Matus's value to Red Cat is underscored by the fact that he served as the face of Red Cat/Teal in many of the relationships he built on Plaintiffs' behalf and during meetings with the DoD and other customers, business partners, and investors. Matus's non-compete and non-solicit promises were necessary to protect Plaintiffs' trade secrets,

sensitive business information, customer and business partner relationships, employee relationships, reputation, innovation, and investments. *See Sys. Concepts v. Dixon*, 669 P.2d 421, 426 (Utah 1983) (explaining a developed, high-level employee who renders special services satisfies "goodwill" requirements); *Allen*, 237 P.2d at 826 (clarifying protective covenants are valid to protect trade secrets); *SecurityNational Motrg. Co. v. Chavez*, No. 2:17-cv-888-RJS, 2017 U.S. Dist. LEXIS 141083, at *2 (D. Utah Aug. 31, 2017) (unreported) (finding non-solicitation restriction valid).

Matus's protective covenants' time restrictions of during his employment and for one year post-employment are fair and reasonable. *See England Logistics*, 559 P.3d at 50 (confirming one-year post-employment restriction is reasonable). Similarly, the geographic scopes are reasonably tailored. The non-solicit's constraints are narrowed to Red Cat's current and previous customers during Matus's employment and Red Cat's limited number of employees; and, the non-compete only expands to competing businesses in the areas in which Matus provided services on behalf of Red Cat (*i.e.*, drone technology), so long as Red Cat continues to carry out business there. *See id.* (affirming geographic scope covering any areas the employer has done or is doing business is reasonable).

And, central to Plaintiffs' harm, it is undisputed Red Cat and Vector are now squarely competitors following Vector's announcement of Hammer. They both design, develop, and manufacture military drones. *See Fw-Co, Inc. v. Schulz*, No. 1:25-cv-00254-NYW-TPO, 2025 U.S. Dist. LEXIS 32754, at *11 (D. Colo. Feb. 24, 2025) (unreported) (finding businesses that operated in similar verticals, though not identical, were competitors). More granularly, Plaintiffs' FANG™ (on which Matus worked while at Red Cat) and Vector's Hammer are both U.S.-manufactured, FPV drones geared toward the U.S. military. Plaintiffs and Vector will compete for the same contracts and have already taken steps to do so. And, of course, Vector competes for the same technical employees as Red Cat - evidenced by the fact that Vector (with Matus's guidance) has been

poaching Red Cat's employees. *See Occusafe, Inc. v. EG&G Rocky Flats*, 54 F.3d 618, 623 (10th Cir. 1995) (explaining competitors may compete for business and/or employees).

b. Plaintiffs Satisfy the Remaining Breach of Contract Elements.

Red Cat performed its obligations under the Agreement by employing Matus until he voluntarily resigned, increasing his pay, providing him trade secrets, and awarding him stock units. Conversely, Matus materially breached, and continues to breach, the Agreement. Matus (1) co-founded and began working for Vector, a competitor, while still employed as an executive at Red Cat/Teal; (2) continued working for Vector after resigning from Red Cat; (3) was intimately involved with, and likely has led, Vector's entire drone operations; (4) has likely pursued Red Cat's military customers for drone contracts; and (5) solicited Red Cat's employees to join Vector.

Matus's breaches have damaged and continue to damage Red Cat by, among other things, diminishing the value of Plaintiffs' trade secrets, harming Red Cat's relationships with its customers and employees, negatively impacting efficiency, necessitating Red Cat/Teal direct resources towards recruiting, and damaging Red Cat/Teal's goodwill, reputation, innovation, investments, and competitive advantage. Therefore, Red Cat is likely to succeed on its breach of contract claim. *See Wireless Advance*, 2024 WL 4525146, at *8 (finding a likelihood of success on the merits of breach of protective covenant claim where plaintiff went to work for a competitor).

ii. Plaintiffs' Misappropriation of Trade Secrets Claims Will Likely Succeed.

As a threshold matter, Matus committed *actual misappropriation* when he permanently deleted Red Cat/Teal's data, work product, and files from his work laptop.[3] *See Mickey's Linen v. Fischer*, No. 17 C 2154, 2017 WL 3970593, at *11 (N.D. Ill. Sept. 8, 2017) (unreported) ("[A]

[3] Defendants undoubtedly capitalized on Matus's intimate understanding of Plaintiffs' drones, designs, development, trial and error, and component combinations to leapfrog over costly and labor-intensive research and development to bring Hammer to market at record speed.

defendant's elimination of computer files . . . allows for an inference of misappropriation."); *All Covered, Inc. v. Moore*, No. D046485, 2005 Cal. App. Unpub. LEXIS 9704, at *28 (Oct. 25, 2005) (unpublished) (explaining deletion of activities amounted to evidence of misappropriation). Furthermore, Defendants threaten misappropriation by virtue of Matus's roles at Vector.

To establish trade secret misappropriation under the UTSA, a plaintiff must prove the existence of a trade secret and misappropriation by a defendant. *John Bean Techs. Corp. v. B GSE Grp., LLC*, 480 F. Supp. 3d 1274, 1296 (D. Utah 2020). Under the DTSA, a plaintiff must establish the same as under the UTSA, and the fact the defendant "knew or should have known the trade secret was acquired by improper means." *Id.* at 1302.

a. Matus Knows Red Cat/Teal's Trade Secrets.

Plaintiffs' business information and plans; strategic initiatives, business opportunities, and partners; and drone design and development are the hallmark of trade secrets under Utah and federal law. Under the UTSA and the DTSA, a trade secret is information that (1) derives independent economic value from not being generally known and readily ascertainable by others who can obtain economic value from its disclosure or use; and (2) is the subject of reasonable efforts to maintain its secrecy of which. 18 U.S.C. § 1839(3); Utah Code § 13-24-2 (4).

Red Cat/Teal have invested time, money, and resources into the design and development of their drones, which has increased their competitive value. Additionally, Red Cat/Teal's business information and plans; strategic initiatives, business opportunities, and partners; and drone design and development are not known by others in the drone industry, and they obtain economic value from being kept secret and not readily ascertainable. If a competitor obtained this information (again as Vector has already demonstrated), it would, *inter alia*, avoid investing countless hours and millions of dollars into research and development and, instead, devote

resources to not-yet-explored efforts and target and undercut Red Cat/Teal in the market.[4]

Red Cat/Teal undertake considerable efforts to maintain the secrecy of their trade secrets. Efforts to maintain a trade secret's secrecy do not require "every conceivable effort" and, instead, need only be reasonable under the circumstances. *Hanks v. Anderson*, No. 2:19-cv-00999-DBB-JCB, 2024 U.S. Dist. LEXIS 160743, at *30 (D. Utah Sep. 5, 2024) (unreported); *John Bean Techs. Corp*., 480 F. Supp. 3d at 1296 (citation omitted). Red Cat/Teal's efforts include requiring employees to execute employment agreements containing confidentiality provisions, requiring contractors, consultants, financial advisors, suppliers, and strategic partners to enter into confidentiality agreements (as appropriate), password-protecting devices, systems, and software, following government-mandated secrecy protocols, and only sharing sensitive information on a need-to-know basis. *See id.* (finding reasonable efforts to protect trade secrets where plaintiff generally required confidentiality promises from contractors, staff, and other entities); *Water & Energy Sys. Tech., Inc. v. Keil*, 974 P.2d 821, 822 (Utah 1999) (finding an implied agreement limiting the disclosure of a trade secret was satisfactory protection under Utah law).

b. Defendants' Misappropriation is Imminent, Threatened, and Inevitable.

In addition to their *per se* misappropriation, Defendants threaten to continue to abuse Plaintiffs' trade secrets. *See* 18 U.S.C. § 1836(b)(3) (permitting injunctive relief on the basis of

[4] *See Gatti v. Granger Med. Clinic, P.C.*, 529 F. Supp. 3d 1242, 1264 (D. Utah 2021) (finding value from keeping business information secret from competitors); *GeometWatch Corp. v. Hall*, No. 114CV00060JNPPMW, 2017 WL 1136946, at *8 (D. Utah Mar. 27, 2017) (unreported) (finding business plans, corporate documents, and agreements with business partners to be trade secrets); *Total Quality Sys., Inc. v. Universal Synaptics Corp*., 679 F. Supp. 3d 1196, 1210 (D. Utah 2023) (finding expert engineering and integration of a military-grade system and some of its custom components were trade secrets); *Surgenex, LLC v. Predictive Therapeutics, LLC*, 462 F. Supp. 3d 1160, 1171 (D. Utah 2020) (finding processes, procedures, and protocols that were developed to create and manufacture a product, along with analysis, processes, methods, techniques, systems, formula, research constituted trade secrets).

"threatened" misappropriation); Utah Code § 13-24-3 (4) (same). Unless the Court immediately steps in, Matus and Vector will inevitability disclose Plaintiffs' trade secrets.

Matus held senior executive positions at Red Cat and Teal, which required his deep familiarity with, and understanding of, Plaintiffs' most sensitive information. He served as the face of Red Cat/Teal in many of Plaintiffs' business relationships and meetings with customers and military stakeholders. He also led and formulated Plaintiffs' business initiatives, drone design and solutions (including the development of FPV optionally-lethal drones), and strategic mapping. Furthermore, Matus guided and supported Plaintiffs' countless hours of trial and error to determine the designs, partnerships, product and component sourcing, manufacture, enhancements, and component combination to increase the competitive value of their drones. Matus's intimate familiarity with Red Cat/Teal's most lucrative trade secrets equips him with the information necessary to successfully lead Vector into the highly-competitive and profitable drone market. Matus's Vector roles are nearly identical to his Red Cat/Teal roles. It is impossible for Matus to divorce himself from Red Cat/Teal's trade secrets where he oversaw and developed these *very* trade secrets at Red Cat/Teal. Thus, Defendants threaten to rely (and have relied) on Plaintiffs' trade secrets to advance Vector's business and impair Plaintiffs' competitive positioning. *See Ophir-Spiricon, LLC v. Mooney*, No. 1:11-cv-00161, 2011 U.S. Dist. LEXIS 135608, at *12 (D. Utah Nov. 23, 2011) (unreported) (granting injunctive relief against former employee whose new employment put him in a position threatening disclosure of plaintiff's trade secrets).

In situations such as this, preliminary injunctive relief may separately be predicated on the inevitable disclosure doctrine. The inevitable disclosure doctrine "is based upon the notion that sometimes a departing employee may have such extensive knowledge of and experience with the former employer's trade secrets that, given the employee's new job function, it is inevitable that

he will use or encroach upon the former employer's trade secrets." *Novell v. Timpanogos Research Grp., Inc.*, No. 970400339, 1998 WL 177721, at *26 (Utah 4th Dist. Ct. Jan. 30, 1998) (unreported).

The facts here are on all fours with *Novell v. Timpanogos Research Group, Inc*. There, Novell, a computer software developer, sought injunctive relief to prevent the inevitable misappropriation of its trade secrets by the defendants, TRG, a competing business, and two prior Novell computer engineers who helped found and worked for TRG. *Id.* at *5. While at Novell, the employees worked as principal inventors on a clustering software project called "Wolf Mountain." *Id.* at *2. Given their long and intimate experience on the project, the employees knew "what worked and what didn't." *Id.* at *28. The court reasoned:

> While it is one thing for them to claim they will not use Novell's trade secrets, it is inconceivable to believe that if they are designing a product similar to Wolf Mountain that they ever would start down any of the blind alleys that they already know won't work. . . . It is inevitable that [the employees] will not use any of the negative knowledge which they learned while at Novell and that negative knowledge gives them a considerable head start or competitive advantage as they develop competing products for the market.

Id. at *28. The court found inevitable disclosure was further justified based on employees' central roles on Wolf Mountain and intimate acquaintance and memory of its related trade secrets. *Id.* The court concluded the defendants' use of Novell's trade secrets was inevitable, and it entered a preliminary injunction against the defendants. *Id.* at *29.

Like the *Novell* employees, Matus was intertwined with Plaintiffs' trade secrets and mission-critical to many, if not most, of their development. On behalf of Red Cat/Teal, Matus engaged in countless hours of trial and error to figure out, *inter alia*, deficiencies, what to avoid, and solutions. Similar to the *Novell* employees, he knows the "negatives" to help Vector escape otherwise necessary (and costly) research and development. Given Matus's central role at Red Cat/Teal, the similarities in roles, and Vector's competitor status, it is inevitable Matus and Vector

will use (or continue to use) Plaintiffs' trade secrets just like the *Novell* defendants. *See Wireless Advance*, 2025 U.S. Dist. LEXIS 55306, at *19 (upholding a misappropriation of trade secrets claim where plaintiff alleged employees intended to misappropriate based on their employments in similar roles for a competitor and pre-separation access to plaintiff's trade secrets).

Matus and Vector know Matus (and, subsequently, Vector) acquired Plaintiffs' trade secrets improperly when Matus breached his contractual confidentiality and non-disclosure obligations and his fiduciary duties by taking, disclosing, and destroying this information. *See* 18 U.S.C. § 1839(6) (defining "improper means" to include breach of duty to maintain secrecy).

iii. Plaintiffs Will Likely Succeed on Their Tortious Interference Claims.

Plaintiffs are likely to succeed on their tortious interference with economic relations claims, the elements of which are: "(1) that the defendant intentionally interfered with the plaintiff's existing or potential economic relations, (2) by improper means, (3) causing injury to the plaintiff." *Iworq Sys., Inc. v. Upahead, LLC*, No. 1:24-cv-00107-DBB-DAO, 2025 U.S. Dist. LEXIS 77731, at *13 (D. Utah Jan. 27, 2025) (unreported) (citation omitted).

Defendants' tortious interference with Plaintiffs' economic relations began when Vector engaged Matus to serve as its co-founder and CTO in breach of the Agreement, despite knowing or negligently failing to learn, that Matus was bound by enforceable protective covenants.

Next, Matus interfered with Plaintiffs' pending deal with Orqa when he deliberately shared information with Orqa that hollowed Plaintiffs' leverage in the deal. As a result, Plaintiffs lost an incredibly advantageous partnership, which Matus and Vector later tried to snatch. Matus exploited Orqa's trust and his position as a Red Cat/Teal representative in an attempt to usurp the Orqa opportunity in Vector's favor. *See W. Blue Print Co., LLC v. Roberts*, 367 S.W.3d 7, 20 (Mo. 2012) (applying similar standard as Utah to find improper means where defendant used the relationship she had developed with plaintiff's potential client during her employment with

plaintiff to usurp a business opportunity for her and her new employer); *Am. Agencies, LLC v. Sloan*, No. 2:13-cv-00283-JNP-CMR, 2020 U.S. Dist. LEXIS 224793, at *24 (D. Utah Nov. 30, 2020) (unreported) (holding the Restatement Second of Torts reflects Utah law on "improper means"); Restat. 2d of Torts, § 767 (weighing numerous factors, including motive and relation between parties, to determine if conduct is improper). Matus's conduct also directly contradicts the standards of business ethics and customs within the military defense contractor industry where Matus did not truthfully act on behalf of or represent the interest of Red Cat/Teal in his communication with Orqa.

Defendants further interfered when Matus and Vector solicited Red Cat's employees to leave Red Cat and join Vector. Defendants capitalized on Matus's knowledge of Red Cat's employees' terms and conditions of employment to make superior offers of employment. Matus and Vector abused their knowledge of Red Cat/Teal's sensitive employment information to improperly entice Red Cat's employees to terminate their relationships with Red Cat. Matus would have no knowledge of this information except for his high-level positions at Red Cat/Teal and his confidentiality obligations. Furthermore, Defendants violated industry standard by knowingly recruiting Red Cat's employees and, even before that, when Vector deliberately solicited Matus in an effort to obtain insider knowledge and a competitive advantage. *See Vendr, Inc. v. Tropic Techs., Inc.*, No. 2:23-CV-165-DAK-DAO, 2023 U.S. Dist. LEXIS 226181, at *19 (D. Utah Dec. 19, 2023) (unreported) (finding improper means where the defendant violated industry standards of non-competition and confidentiality to recruit the plaintiff's employees). It is well known by companies in the military defense contractor industry that they take steps to protect their investments in employees and confidential information from competitors. Defendants, therefore, employed improper means to interfere with Plaintiffs' relationships with Red Cat's employees.

As a direct result of Matus's interference with Orqa, Red Cat/Teal lost the benefits of the Orqa deal. As the deal was nearing finalization, Plaintiffs reasonably expected its benefits. And, Defendants' interference with Plaintiffs' employment relationships decreased the value of Plaintiffs' investments, negatively impacted efficiency, and necessitated Red Cat/Teal direct resources to go towards recruiting.

B. Plaintiffs Will Suffer Irreparable Harm Absent a Preliminary Injunction.

Defendants' misconduct to date establishes that unless the Court steps in and enjoins their conduct, Defendants will continue to inflict severe harm upon Red Cat/Teal. To assess irreparable harm, courts consider an "inability to calculate damages, harm to goodwill, diminishment of competitive positions in marketplace, loss of employees' unique services, the impact of state law, and lost opportunities to distribute unique products." *Am. Equip. Sys., LLC v. Chester*, No. 2:23-cv-00680-DBB-DBP, 2023 U.S. Dist. LEXIS 212936, at *8 (D. Utah Nov. 28, 2023) (unreported) (citations omitted). Plaintiffs have faced diminution of the value of their trade secrets, customer, business partner, and employee relationships, competitive advantage, reputation, innovation, and investments. Many of these harms are intangible, and the amounts tied to them cannot be easily calculated. *See Wireless Advance*, 2024 U.S. Dist. LEXIS 191205, at *27 (finding irreparable harm where a monetary remedy could not be determined to cover loss of trade secrets, employees, competitive edge, business relationships, and goodwill). Defendants threaten to continue breaching the Agreement, misappropriating trade secrets, and interfering with Plaintiffs' economic relationships. This, coupled with the U.S. and its allies on the brink of making massive investments in drone technology,[5] establishes Red Cat/Teal's immediate irreparable harm.

[5] This is the case where Defendants unfairly profit off of Red Cat/Teal's investment of sweat equity and capital into the fundamental and continuing trial and error of drone design and development.

C. The Harm to Red Cat/Teal Outweighs Any Potential Harm to Defendants.

The balance of harms weighs heavily in Plaintiffs' favor. "[C]ourts afford little weight to self-inflicted harms when conducting the balancing inquiry." *Wireless Advance*, 2024 U.S. Dist. LEXIS 191205, at *28. (citation omitted). Any harm caused by enjoining Defendants is self-imposed, and is the natural consequence of Matus and his co-founders launching a competing business built on lies, sabotage, and theft of Red Cat/Teal's trade secrets. Matus willingly entered into and subsequently breached the Agreement; and Defendants need only look in the mirror as for who to blame for their enjoinment. Similarly, Defendants were deliberate in their decision to misappropriate Red Cat/Teal's trade secrets. And they are directly at fault for interfering with Red Cat/Teal's business relationships. The balance of harms largely favors Red Cat/Teal. *See Bad Ass Coffee Co. of Haw., Inc. v. JH Nterprises, L.L.C.*, 636 F. Supp. 2d 1237, 1251 (D. Utah 2009) ("[W]hen a party knowingly takes actions that increase the potential for harm if an injunction is ordered against them, courts give those harms little weight in the balancing test.").

D. The Injunction Would Not Be Adverse to Public Interest.

An injunction in Plaintiffs' favor would not harm the public. "Although . . . the public has a strong interest in a competitive marketplace, the public has an even greater interest in honoring contractual obligations and in fostering honest competition." *ClearOne Communs., Inc. v. Chiang*, 608 F. Supp. 2d 1270, 1281 (D. Utah 2009). The injunction also supports the public's "strong[] interest in protecting established trade secrets." *Bimbo Bakeries USA, Inc. v. Sycamore*, No. 2:13-cv-00749-DN-DBP, 2018 U.S. Dist. LEXIS 54556, at *14 (D. Utah Mar. 29, 2018) (unreported).

V. CONCLUSION

Plaintiffs are entitled to a preliminary injunction as a matter of law. Accordingly, Plaintiffs respectfully request the Court enter an Order as described in this Motion, *supra* (p. 1).

Dated: August 4, 2025

Respectfully submitted,

/s/ Christina M. Jepson

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CERTIFICATE OF SERVICE

I hereby certify that on August 4, 2025, I caused a true and correct copy of the foregoing to be served upon Defendants via email to their known counsel and via FedEx to Defendants' physical addresses:

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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION

RED CAT HOLDINGS, INC. and TEAL DRONES, INC., Plaintiffs, vs. GEORGE MATUS and VECTOR DEFENSE INC., Defendants.	**[PROPOSED] ORDER GRANTING PLAINTIFFS' MOTION FOR PRELIMINARY INJUNCTION** Case No. 2:25-cv-646 Judge: Magistrate Judge:

Based upon review of Plaintiffs Red Cat Holdings, Inc. and Teal Drones, Inc.'s Motion for Preliminary Injunction and Combined Memorandum in Support, the allegations contained in Plaintiffs' Verified Complaint, for good cause shown, and to preserve the *status quo*, IT IS HEREBY ORDERED that:

1. Plaintiffs' Motion for Preliminary Injunction is granted;

2. For a period of one (1) year from the date this Order is entered, Defendant George Matus ("Matus") is enjoined from working for, and collaborating with, Defendant Vector Defense, Inc. ("Vector") on the design, development, production, marketing, and sales of any drone technology;

3. For a period of one (1) year from the date this Order is entered, Defendant Vector is enjoined from:

   a. Manufacturing, marketing, distributing, contracting (including applying for military offerings), and/or selling any Vector designed, developed, and/or marketed drones[1]; and

   b. Working to identify and/or build business relationships with any external entities or individuals in support of its drone design, development, marketing, and/or manufacturing efforts;

4. For a period of one (1) year from the date this Order is entered, Defendants Matus and Vector are enjoined from soliciting any of Plaintiff Red Cat's employees;

[1] This include Vector's "Hammer" drone. Vector may still (internally) design, develop, and manufacture any drone. As it relates to external conduct, Vector may only identify and source components from currently-engaged manufacturers. Vector shall be able to retain its relationship(s) with any component manufacturers it currently engages. Vector must provide Plaintiffs an affidavit identifying its current component manufacturers within seven (7) days of the entrance of this Order.

5. Defendants are enjoined from using, disclosing, and/or relying upon Plaintiffs' trade secret, proprietary, and confidential information;

6. Defendant Matus's obligations pursuant to his Executive Employment Agreement with Plaintiff Red Cat are tolled for one (1) year from the date this Order is entered; and

7. Plaintiffs are awarded attorneys' fees and costs associated with bringing their Motion for Preliminary Injunction

It is so ordered.

Entered this _____ day of August, 2025.

The Honorable
United States District Judge